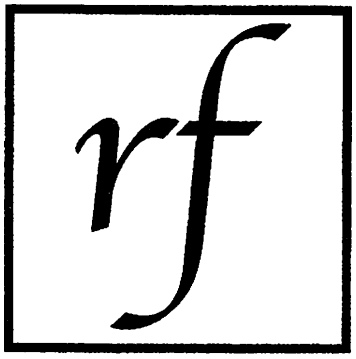


Las Animas County E-911 Authority Board

Trinidad, Colorado

Financial Statements

December 31, 2025

Las Animas County E-911 Authority Board
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December 31, 2025

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Independent Auditor's Report

Board of Directors
Las Animas County E-911 Authority Board

Opinions

We have audited the financial statements of the E-911 Emergency Services fund of Las Animas County E-911 Authority Board, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Las Animas County E-911 Authority Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the E-911 Emergency Services fund of Las Animas County E-911 Authority Board, as of December 31, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Las Animas County E-911 Authority Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Las Animas County E-911 Authority Board's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Las Animas County E-911 Authority Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Las Animas County E-911 Authority Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has elected to omit the management's discussion and analysis. The omission of this information does not affect our opinion of the basic financial statements.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Las Animas County E-911 Authority Board's basic financial statements. The accompanying

supplementary is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc

September 9, 2026

Basic Financial Statements

Las Animas County E-911 Authority Board
Statement of Net Position
Proprietary Fund
December 31, 2025

	E-911 Emergency Services
ASSETS	
Current assets:	
Cash and cash equivalents	$ 646,153
Accounts Receivable, net	83,255
Total current assets	729,408
Non-current assets:	
Capital Assets:	
Equipment and Furniture	2,765,166
Less Accumulated depreciation	(1,827,221)
Total non-current assets	937,945
Total assets	1,667,353
LIABILITIES	
Current Liabilities:	
Accounts payable	14,377
Loans payable	115,164
Total current liabilities	129,541
Non-current liabilities:	
Loans payable	386,619
Total non-current liabilities	386,619
Total liabilities	516,160
NET POSITION	
Net investment in capital assets	436,162
Unrestricted	715,031
Total net position	$ 1,151,193

The accompanying notes to financial statements
are an integral part of these statements.

Las Animas County E-911 Authority Board
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2025

	E-911 Emergency Services
REVENUES	
Charges for services	$ 550,869
Total operating revenues	550,869
OPERATING EXPENSES	
Personal services	18,000
Contractual services	143,450
Professional fees	58,431
Repairs and maintenance	29,984
Maintenance contract	11,665
Miscellaneous expenses	56,606
Depreciation	108,539
Total Operating Expenses	426,675
Operating income (loss)	124,194
NON-OPERATING REVENUES (EXPENSES)	
Interest and investment revenue	4,658
Interest expense	(16,188)
Total non-operating revenue (expenses)	(11,530)
Income (loss) before transfers	112,664
Change in net position	112,664
Total net position - beginning	1,038,529
Total net position - ending	$ 1,151,193

The accompanying notes to financial statements
are an integral part of these statements.

Las Animas County E-911 Authority Board
Statement of Cash Flows
Proprietary Fund
For the year ended December 31, 2025

	E-911 Emergency Services
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Charges for Services	$ 568,007
Cash Payments to Suppliers for Goods & Services	(341,723)
NET CASH PROVIDED BY OPERATING ACTIVITIES	226,284
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:	
Principal payments	(108,923)
Interest Paid on Long-Term Debt	(34,993)
Purchase of Equipment	(118,891)
NET CASH (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(262,807)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Investments	
Interest Received on Investments	4,658
NET CASH PROVIDED BY INVESTING ACTIVITIES	4,658
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(31,865)
Cash & Cash Equivalents:	
Beginning of Year	678,018
End of Year	646,153
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income (Loss)	124,194
Adjustments to Reconcile Operating Income	
Depreciation	108,539
To Net Cash Provided by Operating Activities:	
Change in Assets and Liabilities:	
(Increase) Decrease in Receivables	17,138
Increase (Decrease) in Accounts Payable	(23,587)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 226,284

The accompanying notes to financial statements
are an integral part of these statements.

Las Animas County E-911 Authority Board
Notes to Financial Statements
December 31, 2025

Note 1 Summary of Significant Accounting Policies

The accounting policies of Las Animas County E-911 Authority Board (the "Authority") conform with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

The Authority operates under an appointed Board with nine members.

Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended by Statements No. 34, No. 39 and No. 61), *"The Financial Reporting Entity"(GASB No. 14)* describes the financial reporting entity as is relates to governmental accounting. According to this Statement, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This Authority is not included in any other governmental "reporting entity" as defined in GASB No. 14, including amendments, and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the United States, these basic financial statements present the Authority (the primary government) and its component units, if any.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets, liabilities and deferred flows associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the Authority's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources, as they are needed.

Fund Accounting

The accounts of the Authority are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they and to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

Major Proprietary Funds – Business-Type Activities

Enterprise Funds – used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interest in the activities and sources of funding supporting these operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgets and Budgetary Accounting

The Authority has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, a proposed operating budget for the fiscal year commencing the following January 1 is developed. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.
4. Formal budgetary integration should be employed as a management control device during the year for the Enterprise Fund.
5. Budgets for the Enterprise Funds are adopted on a budgetary basis not consistent with generally accepted accounting principles (GAAP).

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the financial statements. Capital assets are defined by the Authority as assets with an initial estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost

if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Equipment	3-15 years

Revenue Recognition

Operating revenues are recognized when billed.

Interest

Interest income is recognized as revenue when earned.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Authority considers cash in bank and highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Long-Term Obligations

In the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred.

Note 2 Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Equipment	$ 2,016,765	$ 748,401	$ -	$ 2,765,166
Less: Accumulated Depreciation	(1,718,682)	(108,539)	-	(1,827,221)
Total Capital Assets	$ 298,083	$ 639,862	$ -	$ 937,945

Note 3 Cash and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. POPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

At December 31, 2025, the Authority's bank balance and corresponding carrying balance were as follows:

	Carrying Balance
Insured (FDIC), Cash	$ 250,000
Uninsured, Collateralized under PDPA	396,153
Total Cash and Deposits	$ 646,153

Note 4 Accounts Receivable

The accounts receivable are stated at gross and represent amounts receivable from Enterprise Fund customers. The amount of accounts receivable considered uncollectible is not significant, therefore an allowance for credit losses has not been recorded.

Note 5 Contingencies – Tax, Spending, and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The authority has made certain interpretations of the amendment's language and believes the amendment does not apply to Las Animas County E-911 Authority Board.

Note 6 Risk Management

The Authority is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

The Authority maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 7 E-911 Equipment Leases

During 2024, the Authority purchased telephone equipment from Motorola Solutions. The terms of the agreement call for five annual payments of $143,916, including interest, with

an annual interest rate of 5.73%. Collateral for the loan agreement is the telephone equipment.

Minimum required lease payments are as follows:

Year	Principal	Interest	Total
2026	$ 115,164	$ 28,752	$ 143,916
2027	121,762	22,154	143,916
2028	128,740	15,176	143,916
2029	136,117	7,799	143,916
Total	$ 501,783	$ 73,881	$ 575,664

The following is a summary of the transactions in the Authority's long-term debt:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Motorola Solutions	$ -	$ 610,706	$ (108,923)	$ 501,783	$ 115,164

Note 8 Budget Over Expenditures

The fund overspent its 2025 budget, which may be a violation of Colorado Revised Statutes.

Supplementary Information

Las Animas County E-911 Authority Board
Budget and Actual
E-911 Emergency Services
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts,
	Original	Final	
REVENUES			
Charges for services	$ 529,621	$ 529,621	$ 550,869
Interest earnings	674	674	4,658
Total revenues	530,295	530,295	555,527
EXPENDITURES			
Operating costs	3,000	3,000	18,000
Contractual services	180,540	180,540	143,450
Professional fees	23,600	23,600	58,431
Maintenance contracts	42,000	42,000	10,260
Repairs and maintenance	1,000	1,000	29,984
Miscellaneous expenses	1,800	1,800	1,405
Interest	34,993	34,993	16,188
Capital outlay	30,000	30,000	748,401
Principal payment	108,923	108,923	108,923
Contingency	15,909	15,909	-
Miscellaneous expenses	88,500	88,500	56,606
Total expenditures	530,265	530,265	1,191,648
Revenues over (under) expenditures	30	30	(636,121)
Adjustments to GAAP Net Position			
Principal payment	-	-	108,923
Capital outlay	-	-	748,401
Depreciation	-	-	(108,539)
Change in net position	30	30	112,664
Net Position - beginning	664,538	664,538	1,038,529
Net Position - ending	$ 664,568	$ 664,568	$ 1,151,193